



April 8, 2020

Hon. Bill Morneau
Minister of Finance
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[Hon. Mary Ng](#)
[Minister of Small Business, Export Promotion and International Trade](#)
Mary.Ng@international.gc.ca

Hon. Seamus O'Regan
Minister of Natural Resources
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SUBJECT: More Equitable Distribution of Wage Subsidy Benefits for Construction Businesses

Dear Minister Morneau,

CIPH, HRAI and EFC would like to share concerns raised by members of the Canadian Institute of Plumbing and Heating (CIPH), The Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI) and Electro-Federation Canada (EFC), regarding the proposed Canada Emergency Wage Subsidy (CEWS).

In principle, we strongly support this program and believe that maintaining the connecting of employees to the businesses they work for is critical during the COVID-19 pandemic. It is essential that businesses which have seen a decline in work, even though they are essential in many jurisdictions, are able to have assistance in covering the costs of keeping workers on payroll.

As you are well aware, these costs go beyond just the cost of paying a salary or hourly wage. Costs also include paying benefits and FTE costs like equipment needed to do a job.

We are hearing from many members that companies with a national footprint may be disproportionately harmed by the rule that a reporting entity must meet a 30% decline in year-over-year revenue. For instance, a company operating in Quebec, where almost all operations have been shut down in recent weeks will not have difficulty demonstrating a 30% loss of business. However, a national company with operations in that province may not be able to show the same loss of business across the board as the reporting entity may not see a drop of 30% of business.

We ask that you consider fairness in this process to recognize that businesses across Canada are seeing declines in business regardless of their structure. We are concerned that this disparity will lead to companies laying off major segments of their workforce in some provinces, while retaining their workforces in others. In addition, businesses with a national footprint sometimes have subsidiaries that operate on a more localized basis.

One solution would be to allow businesses to demonstrate their realized revenues on a province-by-province basis if that will make it easier for them to qualify. By doing so, the government will still be able to easily audit any businesses that access the CEWS. This step would demonstrate recognition of the fact that provinces have applied essential services and social distancing measures differently. It would

also ensure that national firms, including SMEs with larger, multi-region operations are not arbitrarily excluded from this benefit.

We believe the best way to help workers and affected businesses maintain these ties is to ensure there is more flexibility in CEWS to reflect these realities.

Sincerely,

Thank you,



Ralph Suppa, CAE
President & General Manager
Canadian Institute of Plumbing
& Heating



Sandy MacLeod
President & CEO
Heating, Refrigeration and
Air Conditioning Institute of Canada



Carol McGlogan
President & CEO
Electro-Federation Canada



Founded in Montreal in 1933, the CIPH is a not-for-profit trade association that is committed to providing members with the tools for success in today's competitive environment. More than 283 companies are members of this influential Canadian industry association. They are the manufacturers, wholesaler distributors, master distributors, manufacturers' agents, and allied companies who manufacture and distribute plumbing, heating, hydronic, industrial PVF, and waterworks, and other mechanical products. CIPH wholesalers operate more than 700 warehouses and showrooms across Canada. Total industry sales exceed \$7 billion annually and CIPH members have more than 20,000 employees from coast to coast.



Founded in 1968, the Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI) is a non-profit national trade association of manufacturers, wholesalers and contractors in the Canadian heating, ventilation, air conditioning and refrigeration (HVACR) industries. HRAI advocates a safe, responsible and fair industry where indoor environment systems and refrigeration processes are designed, installed and serviced by qualified professionals in order to ensure efficient and energy-conscious operation.



Electro-Federation Canada (EFC) is a national, not-for-profit industry association that represents over 220 member companies that manufacture, distribute, market and sell a wide range of electrical products. EFC members contribute over \$10B to the Canadian economy and employ over 40,000 workers in more than 1,300 facilities across the country. EFC empowers the industry with market intelligence, professional development and a voice for advocacy and standards advancement within a safe, collaborative environment.